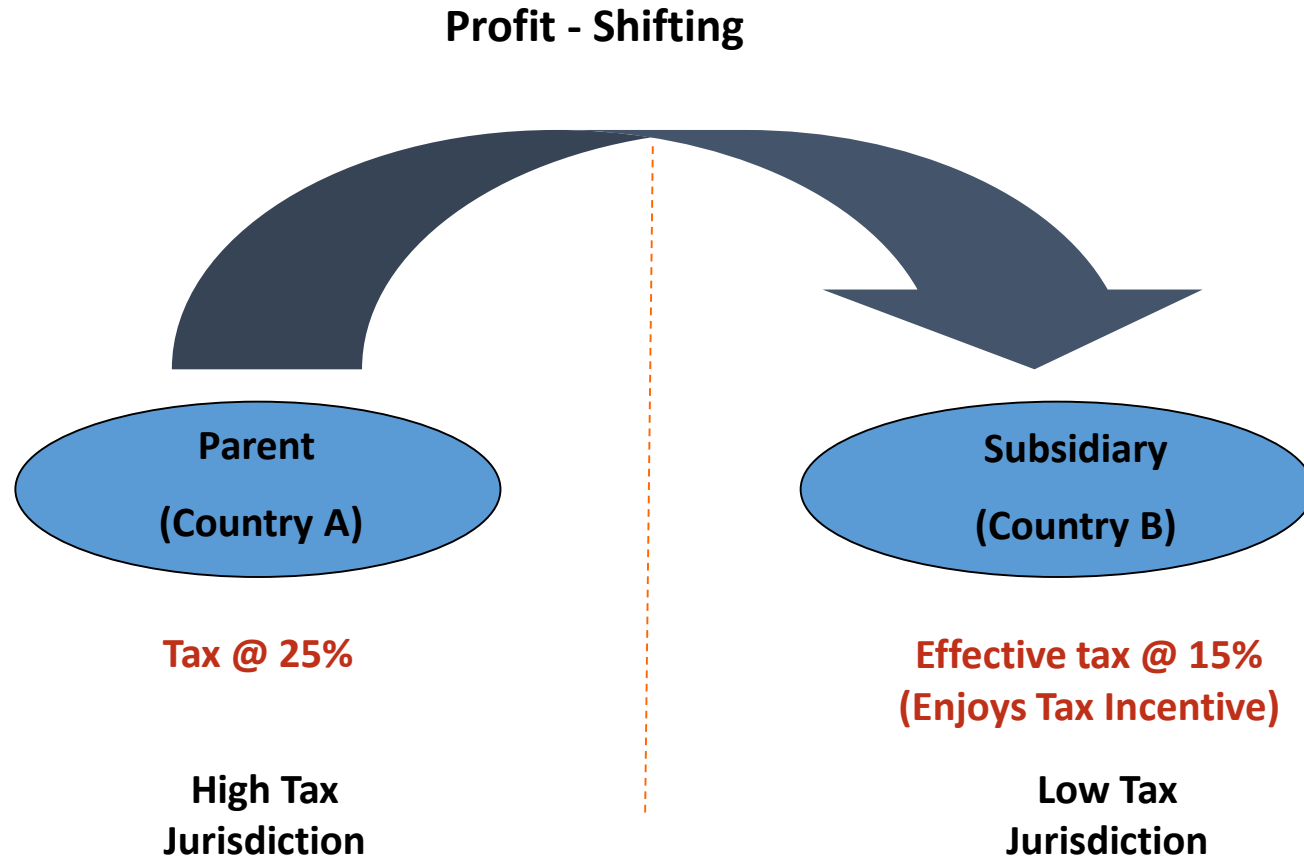


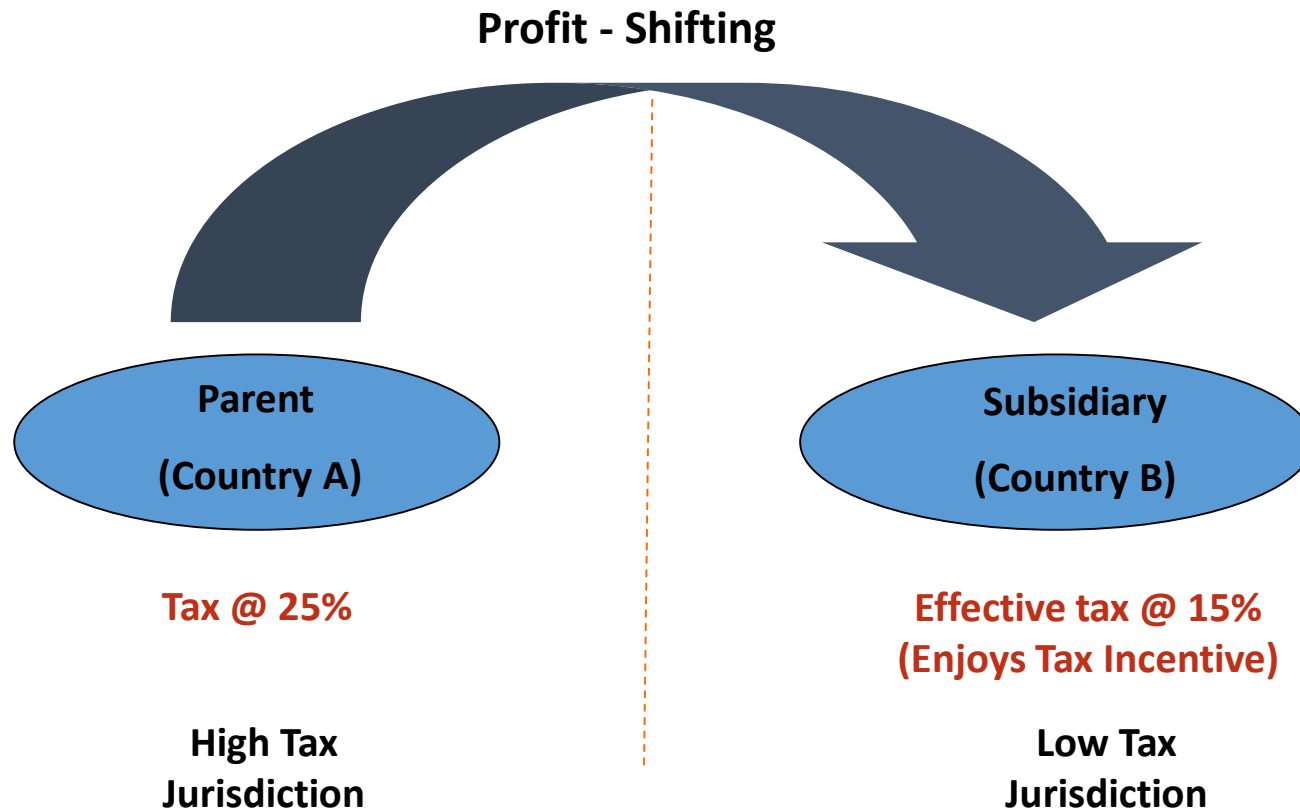
# What is Transfer Pricing ?

*Taxpayer's  
perspective*



# What is Transfer Pricing ? (Cont..)

*Revenue's  
perspective*



Revenue authorities in Country A would question the rationale of profit shifting while in Country B there would be no adverse implication

## What is Transfer Pricing ? (Cont..)

*Therefore, to bring harmony between Taxpayers perspective and Revenue's perspective one needs to follow -*

### THE ARM'S LENGTH PRINCIPLE

**The transfer price should not differ from the prevailing market price for a comparable transaction.**